

MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Larry K. Shumway, Ed.D.
State Superintendent of Public Instruction

DATE: October 2, 2009

INFORMATION: Utah State Board of Education's Fiduciary Responsibility
for School and Institutional Trust Lands

Background: Utah has the following assets from the trusts granted by Congress for the "support of schools:"

<u>Assets</u>	<u>Schools</u>	<u>Blind</u>	<u>Deaf</u>
surface acres	3.4 million acres	456 acres	5,498 acres
mineral acres	4.1 million acres	12,332 acres	10,935 acres
Permanent Funds	\$930 million	\$12.9 million	\$331,689

(Market Value as of 8/31/2009)

The State of Utah is the trustee for these lands and has delegated the management to the School and Institutional Trust Lands Administration (SITLA). The lands generate revenue; net school revenue is deposited in the State School Fund and invested by the State Treasurer. Schools shared in the \$24.3 million generated by interest and dividends and distributed this fiscal year.

The net revenue from the Blind and Deaf Funds is expended annually, except for land sale income which is saved in the respective permanent fund. In FY2009, the revenue generated was \$480,799 for the Blind Fund and \$125,030 for the Deaf Fund.

The State Board of Education represents the common schools, the School for the Blind and the School for the Deaf as beneficiary of the trusts. As beneficiary, it is imperative that the Board be well informed of their rights and responsibilities as they carry out their duties in representing each of these trusts.

Proposal: Staff will provide information and training on the Board's fiduciary responsibilities.

Anticipated Action: This is an information item only.

Contact: Martell Menlove, 801-538-7762
Margaret Bird, 801-538-7533